

# Research

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## Wendel SE

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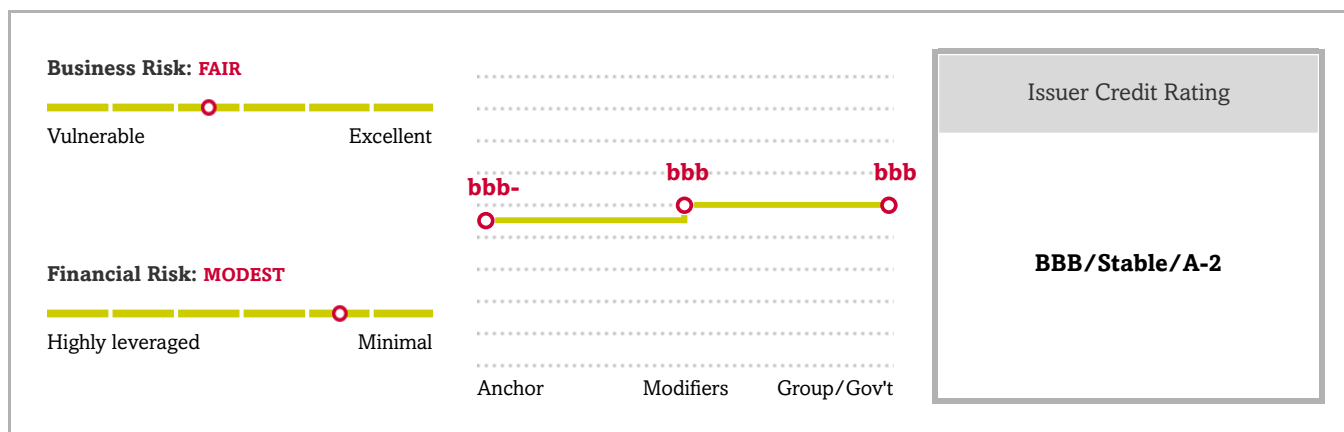
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Related Research

# Wendel SE



## Credit Highlights

### Overview

#### Key strengths

Adjusted portfolio reaching about \$10 billion (net of cash) as of end-September 2021, pro forma the sale of France-based decorative paints producer Cromology, and the planned acquisition of U.S.-based training and certification for anti-money laundering and financial crimes prevention provider Association of Certified Anti-Money Laundering Specialists (ACAMS).

Increased portfolio rotation over the past few quarters, favoring the realization of returns and unlocking new investment opportunities in assets with good long-term perspectives, low-cyclicality, and strong environmental, social, and governance (ESG) foundations, in line with the updated 2021-2024 investment strategy.

Sufficient cash balance reaching about €1.5 billion as of the end-January 2022, pro forma the ACAMS acquisition and no debt maturities until October 2024.

Ample financial flexibility with, pro forma the ACAMS acquisition and disposal of Cromology, S&P Global Ratings-adjusted loan-to-value (LTV) ratio estimated at about 5% against our LTV ceiling of 20%, as of Sept. 30, 2021.

#### Key risks

Fairly concentrated portfolio. Bureau Veritas (BV) retains a pivotal role for the portfolio composition and our 'BBB' credit rating. It represents more than 50% of the portfolio value, sustains the portfolio's creditworthiness, and allows for a degree of stable dividend stream.

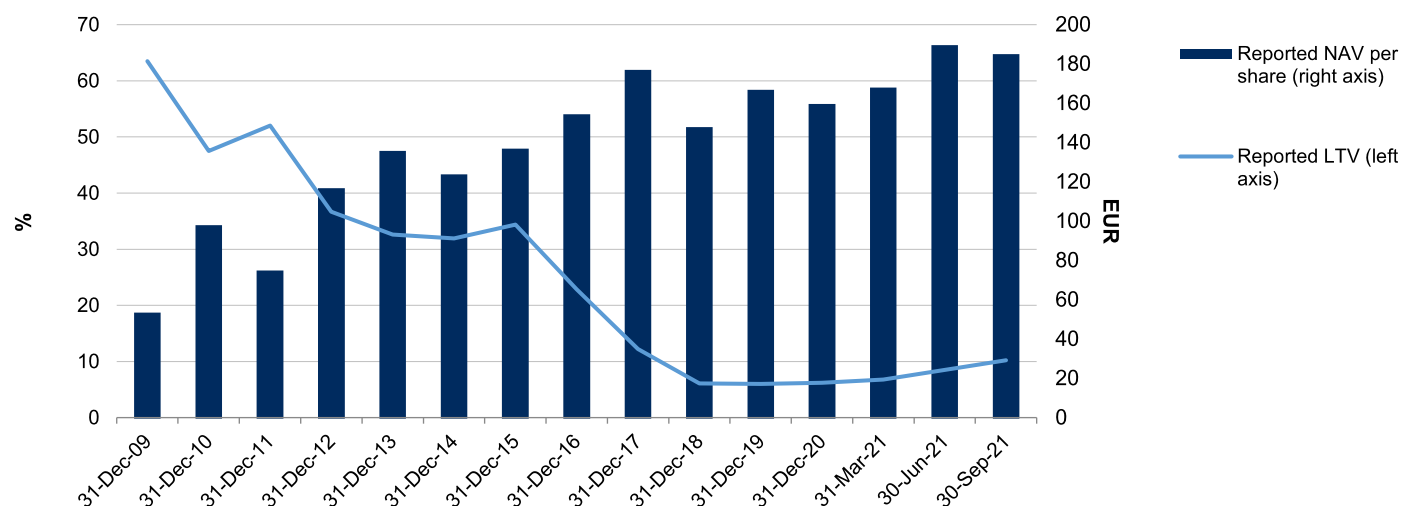
Low near-term cash dividend prospects from investee assets (except BV), reflecting Wendel's growth portfolio and the holding's decision to leave its unlisted assets with sufficient resources for organic growth.

Alternative investment platform, Wendel Lab, potentially needs additional investments before generating material cash flow returns.

**Wendel has ample financial flexibility, with an estimated adjusted LTV ratio of about 5% allowing for new investments when opportunities arise.** We expect Wendel to maintain tight control over its LTV. Unlike other investment holding companies such as Exor, Investor AB, or more recently JAB, Wendel does not have an outspoken leverage tolerance. At the same time, we believe that the holding has shown a sufficient record of maintaining low leverage over the last five years, and has the financial flexibility to accommodate new acquisitions when considering our current LTV ceiling of 20%. We estimate that, as of end-September 2021, Wendel's portfolio value reaches €8.7 billion (excluding cash), pro forma the Cromology sale and ACAMS acquisition. Based on this, we estimate the S&P Global Ratings-adjusted loan to value at about 5%. As such, Wendel could easily accommodate about €1.5 billion of new debt funded acquisitions without breaching our leverage limit for the 'BBB' rating.

Chart 1

## Wendel's Historical LTV And NAV Per Share Evolution



NAV--Net asset value. LTV--Loan to value. Source: S&P Global Ratings.

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***We expect new acquisitions to be in line with Wendel's updated 2021-2024 investment strategy, which has a strong focus on companies with sound ESG foundations and low cyclicalities.*** For 2022-2023, we expect Wendel to complement its portfolio with equity investments ranging from €150 million to €500 million. The holding will target majority ownership or, alternatively, large minority stakes (as recently occurred for Tarkett) in listed or unlisted companies. Wendel typically seeks market-leading businesses in its niche sectors or companies in sectors with long-term growth prospects, supported by clearly defined and positive megatrends. At the same time, the holding will avoid highly cyclical and capital-intensive sectors. As such, attractive sectors could be technology services, business services, health care and industrial technology. The new investments will be focused on the west of Europe, particularly France, and North America, shifting away from Wendel's historical exposure to developing economies. Finally, for new investment opportunities, management is now systematically running corporate social responsibility due diligence, and we expect the new investments to positively contribute to the portfolio's ESG profile.

***The sale of France-based decorative paints producer Cromology resulted in net cash proceeds of €896 million in January 2022.*** The disposal of Cromology closed on Jan. 22, 2022, for net cash proceeds of €896 million. This was €358 million above Cromology's valuation in Wendel's net asset value (NAV) published before the transaction announcement on June 30, 2021.

## Outlook: Stable

The stable outlook on France-based investment holding company Wendel reflects our view that it will maintain defensive leverage over the next 12-24 months, showing ample headroom against our 20% LTV threshold while redeploying its capital.

### Downside scenario

We could consider a negative rating action if the LTV ratio increased above 20% over a prolonged period without Wendel taking steps toward a rapid recovery. We could also lower the ratings over the medium term if Wendel's cash flow adequacy remained below 0.7x and its cash position diminished such that the holding operating deficit was not abundantly compensated by cash held.

### Upside scenario

Given the nature of Wendel's investment portfolio and business model, we regard a potential positive rating action as unlikely over the next 24 months. However, we would consider upgrading Wendel if its portfolio value and diversity increases in favor of listed assets such that the share of liquid assets as a portion of the total portfolio value is well above 60% on structural basis and at the same time the materially diminishes the reliance on Bureau Veritas, all else being equal.

## Our Base-Case Scenario

### Assumptions

- A prudent investment policy and proactive management should help maintain the LTV ratio well below 20% over the coming two years.
- We expect dividend income of €80 million-€90 million in 2022, and €85 million-€95 million in 2023 solely derived from BV, compared with €58 million in 2021.
- Operating costs of about €80 million for 2021-2023 per year, the same range as prior years.
- Interest expense of about €40 million-€50 million per year over 2021-2023, versus €58 million in 2020.
- Cash dividends are set at €130 million for 2021 and we expect dividends to increase to about €140-€150 million in 2022. Dividends were €2.9 per share in 2021, in line with 2020.
- Under our base case we do not include any material share buyback, as per historical trends. In 2021, the company conducted share buybacks of €30 million.

## Key metrics

Wendel--Key Metrics*						
--Fiscal year ended Dec. 31--						
	2018a	2019a	2020a	2021e	2022f	2023f
LTV* (%)	6.6	6.7	7.2	~10	<20	<20
Cash flow Adequacy (x)	0.8	0.0	0.0	0.4-0.6	0.5-0.7	0.5-0.7

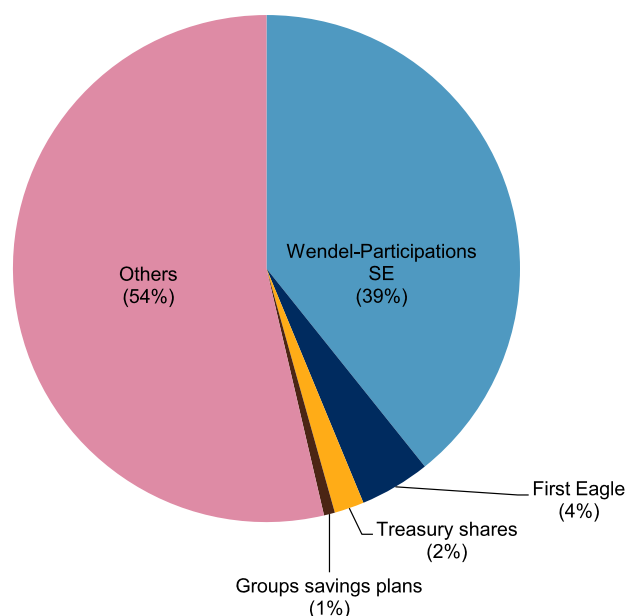
\*Fully S&P Global Ratings-adjusted. LTV--Loan to value. a--Actual. e--Estimate. f--Forecast.

## Company Description

Wendel is a France-based, publicly listed investment holding company, tracing its history back to the eighteenth-century steel industry in eastern France. Wendel-Participations SE, a family vehicle representing the individual interests of more than 1,200 Wendel family members, holds the largest stake in the company, 39.3% (52.4% voting rights) as of Dec. 31, 2020. The family is represented by six members sitting on the supervisory board.

### Chart 2

Wendel's Shareholding Composition As Of Dec. 31, 2020



Source: Wendel's full year report 2020

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We estimate that, as of end-September 2021, Wendel's adjusted investment portfolio is about \$10 billion (pro forma the sale of Cromology, and the planned acquisition of ACAMS) composed as follows:

- A 35.6% equity stake in listed testing, inspection, and certification business BV (not rated) which represents about 50% of Wendel's adjusted portfolio value net of cash. BV's topline over the first nine months of 2020 amounted to €3,664 million, up by 9.4% on the same period a year ago. As of the Feb. 11, 2022, BV's market capitalization was €11.4 billion.
- A 21.4% equity stake in IHS Towers. IHS Towers (B/Stable) is an Africa-based provider of telecom tower infrastructure for mobile operators. In October 2021, IHS Towers was listed on the New York Stock Exchange, this has helped increase the share of listed assets in Wendel's portfolio.
- A 23.4% equity stake in Tarkett Participation SAS (BB-/Stable). Tarkett develops, manufactures, and sells one of the broadest ranges of flooring products and addresses diversified commercial and residential end-markets, mainly focus on renovation. The group also benefits from a very balanced exposure in terms of geography.

The remainder of Wendel's adjusted portfolio value consists of the following unlisted companies, whose portfolio value is not publicly disclosed.

- A 67.8% equity stake in Stahl (not rated), a market leader in leather chemicals and performance coatings. Sales totaled €624.4 million over the first nine months of 2021, up 31.6% compared with the same period in 2020. After a challenging start to 2020, Stahl began to recover in the third quarter of 2020, accelerating at the end of the year. This recovery was driven by a strong order book and broad-based volume growth across almost all regions and end markets. The solid performance in sales is, however, unsurprisingly mitigated by an unprecedented increase in raw material prices due to tight supply markets, which affects margins. We expect the effect on margins to continue into 2022.
- A 60.8% equity stake in Constantia Flexibles (not rated), the world's third-largest flexible packaging supplier following the merger of Amcor & Bemis. In the first nine months of 2021, sales were up by 1.5% if compared to the same period a year ago. On June 9, 2021, Constantia closed the acquisition of Propak, a packaging producer in Düzce, Turkey. The purchase price is based on an enterprise value of €120 million, representing a 6.4x multiple of 2020 actual EBITDA.
- A 96.4% equity stake in the Crisis Prevention Institute (CPI; not rated), the leading provider of behavior management and crisis prevention training in the U.S. CPI recorded revenue of \$76.4 million in the first nine months of 2021, an increase of 68.6% in total compared with the same period in 2020, and 17.6% versus 2019. CPI's activity has benefited from the improved ability for customers to gather in person, notably in hospitals and schools, moving toward an increasingly normalized work environment. The overall heightened level of activity, combined with effective cost management, has led to continued deleveraging over the past few months, maintaining CPI's leverage level at 6.5x, well below the 10.75x third quarter covenant.
- An expected 99% equity stake in ACAMS. On Jan. 24, 2022, Wendel announced it had entered into an agreement to acquire U.S.-based training and certifications provider ACAMS for an equity value of \$355 million (net adjusted enterprise value of \$487.5 million; EBITDA multiple of about 30x).

The remaining adjusted portfolio is represented by treasury shares; and Wendel Lab.

## Peer Comparison

Table 1

Wendel--Peer Comparison					
	Wendel SE	EXOR N.V.	JAB Holding Co. S.a r.l.	Prosus N.V.	BevCo Lux Sarl
Rating as of Jan 28, 2022	BBB/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/--	BBB/Stable/A-2	BBB/Stable/--
Business profile	Fair	Satisfactory	Satisfactory	Fair	Fair
Portfolio data as of	Sept. 30, 2021, pro forma the sale of Cromology and the planned acquisition of ACAMS	June 30, 2021, pro forma planned sale of PartnerRe and Iveco spin-off	June 30, 2021	Sept. 30, 2021, pro forma BillDesk planned acquisition	June 30, 2021
Portfolio size (adjusted; mil. \$)	10,066.0	29,422.0	34,172.0	199,713.0	9,066.0
Weight of listed assets (%)	65.2	89.8	69.5	88.5	97.1
Largest asset (% of portfolio)	51.9	31.3	37.7	82.2	78.3
Three largest assets (% of portfolio)	77.6	82.8	68.6	88.7	93.9
Cash flow leverage	Modest	Modest	Intermediate	Minimal	Modest
Loan to value (%)	4.9	Net cash	21.8	3.9	15.4
Loan to value ceiling (%)	20.0	20.0	25.0	10.0	20.0

Wendel is one of the most influential holding companies we rate in Europe, Middle East, and Africa.

Its total S&P Global Ratings-adjusted portfolio value of about \$10 billion (as of end-September 2021 pro forma the sale of Cromology, and the planned acquisition of ACAMS, excluding cash) is comparable to that of BevCo (BBB/Stable/--; SACP 'bbb-'), while JAB and Exor manage equities of \$25 billion-\$35 billion.

Similar to BevCo, Wendel is relatively concentrated in one single asset, BV, representing slightly more than 50% of our adjusted portfolio value excluding cash. At the same time, we note that both JAB and Exor are less dependent to one single asset. We however note that the level of concentration on the top three assets for all the holdings in this peer group we rate is similar.

We note that for Wendel and Exor, there is some uncertainty on the long-term portfolio liquidity and asset concentration. This reflects current portfolio dynamics and our expectation that these two holdings will redeploy substantial capital over the near term, reflecting the recent portfolio rotation (Exor is currently in the process of disposing PartnerRe).

We regard Wendel's business model as similar to JAB's, reflecting its active portfolio management and strategic mandate to invest in new ventures, maximizing returns over time through exit strategies or IPOs. Annual dividend inflows are a secondary priority with the exception of BV. JAB relies on a more mature, less cyclical portfolio for the



time being.

We view Wendel's ability to recursively unlock returns through its unlisted assets' selected disposals as a key differentiating factor for this holding, offsetting the lack of an abundant dividend stream from the privately held portfolios somewhat. We regard the recent listing of IHS as a partial success, considering that its share price dropped by about 35% from the IPO date. We also consider Wendel to be one of the more financially flexible holdings compared with peers, for example BevCo, because we assess its LTV ratio to be at about 15% against our ceiling of 20%. All of these elements are differentiating factors and supportive elements for the 'BBB' rating.

## Business Risk: Fair

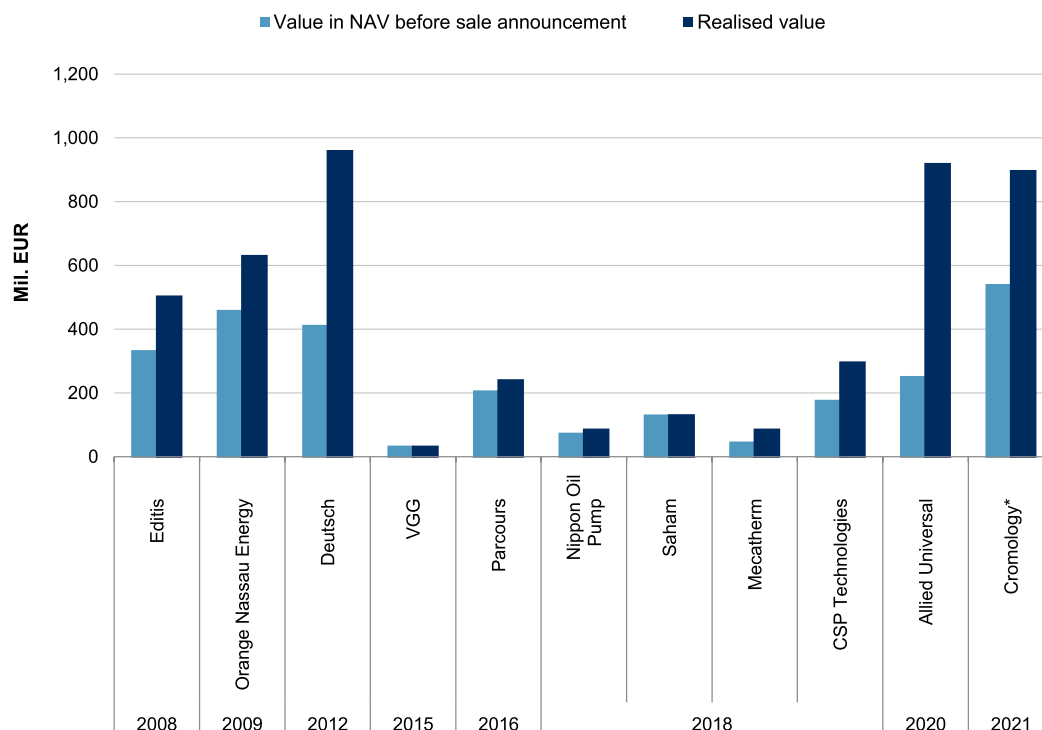
***Wendel has a demonstrated ability to sell down unlisted assets, in varying market conditions.*** Most unlisted asset disposals over the last two years closed with a double-digit internal rate of return. These included Nippon Oil Pump, CSP Technologies, Allied Universal, and, more recently, Cromology. These exemplify Wendel's proven capacity to sell down unlisted assets in the face of sometimes challenging market circumstances.

We estimate that in 2018 the holding divested about €600 million against an NAV before the divestment of €420 million, reaching an average of 1.4x value increase. In 2020, Wendel sold Allied Universal for \$918 million against an initial investment of \$378 million. Additionally, in 2021, Wendel entered into an agreement to dispose Cromology to DuluxGroup for a total consideration of €896 million. This was €358 million above Cromology's valuation in Wendel's NAV published before the transaction announcement as of June 30, 2021.

***Occasionally some investments have closed with a loss, or the operating environment has become more challenging.*** In 2020, Wendel lost its equity investment in Tsebo. Wendel had initially acquired 65% of Tsebo's share capital for €159 million in 2017. In 2020, CPI faced high operational challenges from the COVID-19 pandemic. However, with pandemic-related restrictions easing, we believe that Wendel would be able to meaningfully protect the €569 million invested in CPI in 2019. We regard the recent IHS listing as a positive development for Wendel's asset liquidity and portfolio evolution. At the same time, we understand that its equity value currently is positioned below the acquisition price. IHS trades at about 7x enterprise value to EBITDA, representing a large discount against Helios Towers, which is trading at 12x.

Chart 3

## Wendel Track Record Of Asset Sales



NAV--Net asset value. \*Cromology sold in January 2022. Source: S&P Global Ratings.

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**Cash redeployment has started after the sale of Cromology, which resulted in net cash proceeds of €896 million in January 2022.** On Jan. 24, 2022, Wendel announced it had entered into an agreement to acquire ACAMS for an equity value of \$355 million (net adjusted enterprise value of \$487.5 million; EBITDA multiple of about 30x).

The acquisition follows the disposal of Cromology for net cash proceeds of €896 million, which closed on Jan. 22, 2022. This was €358 million above Cromology's valuation in Wendel's NAV published before the transaction announcement as of June 30, 2021. ACAMS presents all the key investment characteristics that Wendel considers when making new acquisitions. Notably, it has solid growth prospects--supported by positive megatrends and ESG friendly attributes--robust EBITDA (expected margins above 20%), relatively low cyclicality, and strong free cash flow potential. The acquisition is subject to customary anti-trust approvals and is expected to close in second-quarter 2022.

**Asset credit quality at the investee companies is moderately improving, based on our view of the private equity assets overall.** Wendel's average creditworthiness is in the upper end of the 'bb' category, moderately improving since last year. In our view, this reflects Wendel's current portfolio composition as well as the holding's relatively conservative debt approach.

In July 2021, IHS was upgraded one notch to 'B' from 'B-'. Additionally, the holding acquired a minority stake in Tarkett, which we rate at 'BB-'. Moreover, over the years Wendel disposed holdings in assets with weaker credit quality. Finally, the portfolio's credit quality receives material support from BV, which although not rated has a clear

investment-grade standing, in our opinion.

***Renewed investment discipline and business diversity could offer more resilience in the future.*** We expect Wendel to invest in companies with limited business-cycle exposure, robust cash generation, and a low correlation with other assets. We believe this should help better manage future disruptions. Additionally, we regard Wendel's recently improved business diversity as a source of relative stability for the portfolio. Wendel has invested in business services (BV; about 50% of portfolio value), Telecoms (IHS Towers), Chemicals (Cromology, Stahl); Building Materials (Tarkett), and Packaging (Constantia Flexibles).

***Wendel Lab could reach 5%-10% of Wendel's NAV in the mid-term.*** Wendel aims to further develop Wendel Lab, its alternative investment platform engaged in investing directly or in funds of funds that could offer good returns in the future and leverage on these new assets to serve the rest of the portfolio. Management expects Wendel Lab to represent about 5%-10% of its reported NAV in the coming years with €500 million earmarked for its fair value. As of end-September 2021, commitments for the investment platform, which we see as akin to debt for Wendel, reached about €49 million.

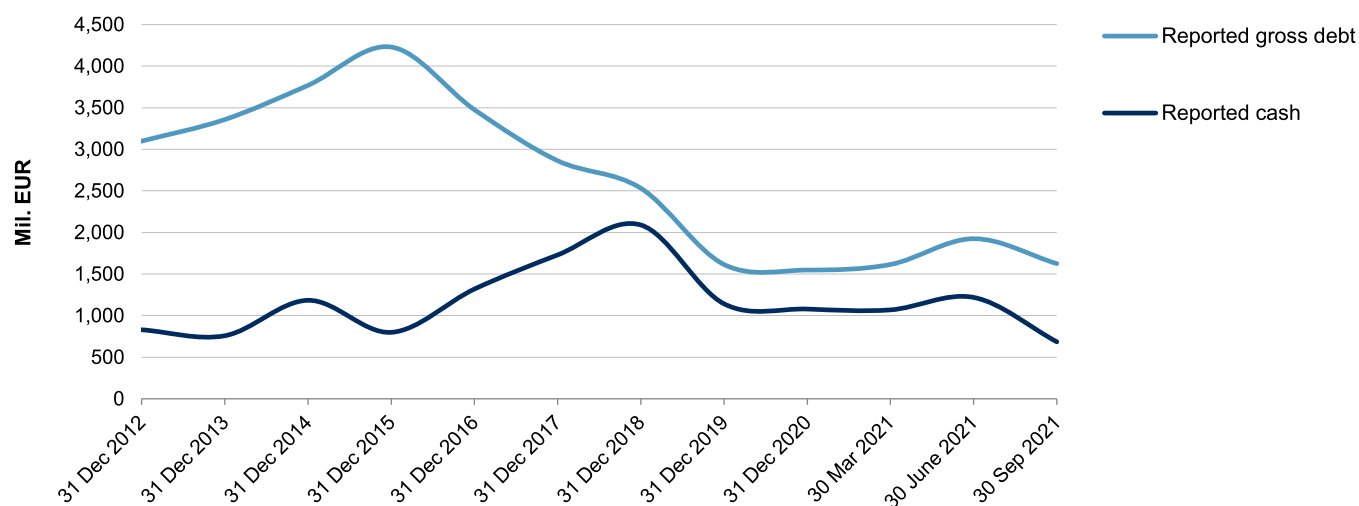
## Financial Risk: Modest

***Tight control over leverage and ample cash balances.*** Our assessment of Wendel's financial risk profile reflects management's fairly conservative stance on leverage at both the holding level and for its investee companies. Compared to a few years ago, its investment policy guidance now emphasizes the arms-length nature of its operations vis-à-vis all subsidiaries. It also has established a track record for a more cautious approach to new investments when it comes to market exposure, cash flow stability, and revenue visibility.

Over the last decade or so, we have seen Wendel's gross debt decreasing quite steeply while its cash has remained on average in excess of €1.2 billion (average 2012-2020).

Chart 4

## Wendel's Historical Reported Gross Debt And Cash Position Evolution



Source: S&P Global Ratings.

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**Structurally low cash adequacy ratio when compared to other investment grade holdings.** Wendel does not typically rely primarily on cash dividends up streamed from its investee assets to fund holding operating costs and interest payments. We regard Wendel's business model as closer to that of a private equity firm for which annual dividend extraction from assets is not an absolute priority. Wendel prefers to sustain companies' growth potential rather than receive dividends, aiming for higher exit returns.

BV is currently the only asset in Wendel's portfolio with recurrent dividend. Over 2019, Wendel opted to receive a scrip dividend from BV, but in 2020 BV cancelled its dividend to preserve cash amid the pandemic. As a result, Wendel's cash dividend income over the last couple of years has been zero. In 2021, BV reinstated its dividend payment resulting in an expected cash adequacy ratio of 0.4x-0.6x for 2021, improving moderately to 0.5x-0.7x for 2022-2033.

Wendel's structural low-cash-dividend prospects are offset by the high cash balances it retains. As of end-September 2021, pro forma the disposal of Cromology and the acquisition of ACAMS, we estimate that Wendel's cash, as of end-January 2022, reaches about €1.5 billion.

**Shareholder remuneration and occasional share buybacks could drain resources for new investments.** Over the last 10 years, Wendel has returned approximately €1.95 billion to its shareholders of which about €1.09 billion was through ordinary dividends and the remainder through share buybacks.

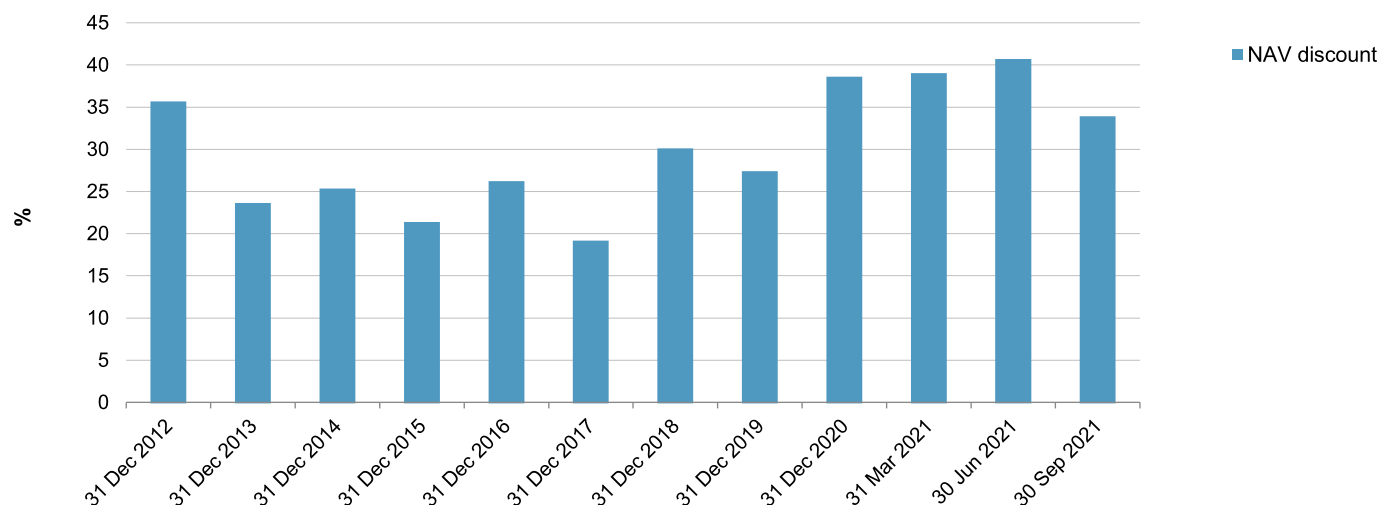
Dividends increased to €2.9 per share in 2021, based on 2020's performance that was up by 3.6%. In 2021, cash out for dividends over 2020 results reached about €127 million, from €86 million in 2013. We believe that Wendel's shareholder remuneration will continue to grow steadily. This reflects Wendel's dividend policy to offer its investors an

increasing dividend.

We could see Wendel initiating the occasional share buyback program to reduce the gap between its share price and its NAV, which was at a 33.8% discount as of Sept. 30, 2021. We note, however, that the average discount since 2000 is about 25%.

**Chart 5**

### Wendel's Historical NAV Discount



NAV--Net asset value. Source: S&P Global Ratings.

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## Financial summary

**Table 2**

Wendel--Financial Summary				
	S&P Adjusted Portfolio Value As Of.			
	Dec. 2017	Dec. 2018	Dec. 2019	Dec. 2020
Reported portfolio value net of cash in EUR million	9,291.0	7,265.0	7,902.0	7,583.0
Portfolio as adjusted*	9,291.0	7,306.0	7,963.0	7,669.0
Reported net debt	1,730.0	442.0	473.0	469.0
Net debt as adjusted*	1,133.0	483.0	534.0	556.0
Loan to value as adjusted (%)	0.1	0.1	0.1	0.1
Dividend cash income	369.0	138.0	0.0	0.0
Operating charges and tax expenses	71.0	56.0	81.8	83.4
Interest expenses	109.0	185.0	64.0	58.0
Cash flow cover (x)	1.0	0.6	0.0	0.0
Ordinary dividend paid	107.0	121.0	123.7	127.0

\*adjs include Dec. 31. 2020--investment commitments of €56 million and €31 million of minority put options.

## Liquidity: Strong

Our assessment of Wendel's liquidity as strong reflects our expectation that its sources of liquidity will likely exceed liquidity uses by more than 4.6x in the next 12 months, and about 7.5x over the following 24 months. Despite limited dividend inflows from investee companies, Wendel's generally good access to the bond market, solid relations with banking counterparties, and comfortable headroom under covenants supports our assessment. We believe that Wendel could use its available cash for new investments or for minor share buybacks currently not included in our liquidity analysis. This is why we limit our assessment of Wendel's liquidity to strong.

### Principal liquidity sources

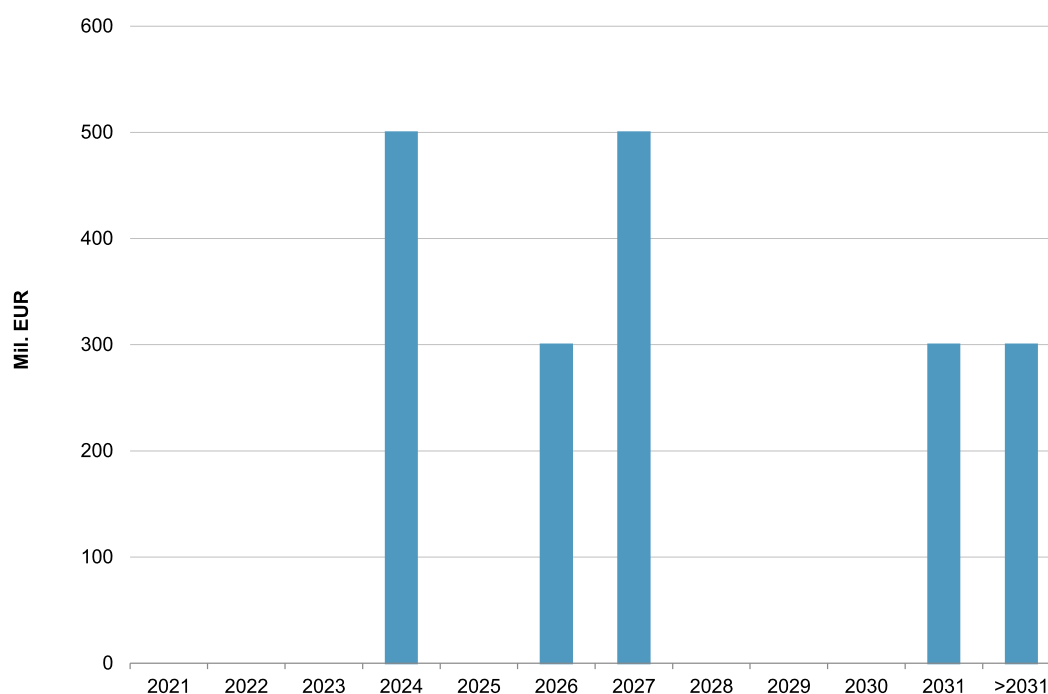
- Net cash and cash equivalents of €685 million as of Sept. 30, 2021;
- Full availability under the €750 million revolving credit facility (RCF) expiring in October 2024;
- Dividend income of about €80 million-€95 million per year;
- Proceeds from the sale of Cromology which amount to about €896 million; and
- Proceeds from the recent bond issuance of €300 million maturing in January 2034.

### Principal liquidity uses

- No debt maturities till October 2024, when €500 million euro notes are coming due;
- Operating expenses of about €80 million per year;
- Interest expenses of approximately €40 million-€50 million per year;
- Dividends of €140 million-€150 million over the next 12 months, increasing to €150 million-€160 million for the following 24 months; and
- About €310 million-€320 million cash out for acquiring ACAMS expected to close in the first half of 2022.

### Debt maturities

Chart 6

**Wendel's Maturity Profile As Of Jan. 28, 2022**

Source: S&P Global Ratings.

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## Covenant Analysis

### Compliance expectations

As the line is undrawn, there is no obligation of covenant headroom reporting, but headroom would be comfortable.

### Requirements

Wendel's €750 million RCF bears two LTV covenants, tested semiannually but only if the line is drawn down.

## Environmental, Social, And Governance

### ESG Credit Indicators

E-1	<b>E-2</b>	E-3	E-4	E-5	S-1	<b>S-2</b>	S-3	S-4	S-5	G-1	<b>G-2</b>	G-3	G-4	G-5
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ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

## Issue Ratings - Subordination Risk Analysis

### Capital structure

Wendel's capital structure consists of about €1.9 billion of senior unsecured debt issued at the holding company level issued as of the end of January 2021. Wendel's RCF is also unsecured. We assess Wendel's financial risk profile as modest.

### Analytical conclusions

The issue rating on Wendel's senior unsecured notes is 'BBB', the same as the issuer credit rating, because there are no significant elements of subordination risk present in Wendel's capital structure.

## Ratings Score Snapshot

### Issuer Credit Rating

BBB/Stable/A-2

### Business risk: Fair

- **Country risk:** Low
- **Industry risk:** Intermediate
- **Competitive position:** Fair

### Financial risk: Modest

- **Cash flow/leverage:** Modest

Anchor: bbb-

### Modifiers

- **Liquidity:** Strong (no impact)
- **Management and governance:** Satisfactory (no impact)



- **Comparable rating analysis:** Positive (+1 notch)

**Stand-alone credit profile : bbb**

## Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | Industrials: Methodology: Investment Holding Companies, Dec. 1, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

## Related Research

- Bulletin: Wendel Has Ample Financial Flexibility To Absorb New Investments, Jan. 27, 2022
- ESG Credit Indicator Report Card: Investment Holding Companies And General Trading Investment Companies, Dec. 17, 2021
- Bulletin: IHS Holding Ltd.'s Listing Is Credit Positive For Wendel, Oct. 18, 2021
- Bulletin: Wendel Looking At Ample Financial Flexibility And Strong Focus On ESG In 2021, April 13, 2021

### Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+ / a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+ / a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
<b>Fair</b>	bbb/bbb-	<b>bbb-</b>	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

**Ratings Detail (As Of February 25, 2022)\*****Wendel SE**

Issuer Credit Rating	BBB/Stable/A-2
Senior Unsecured	BBB

**Issuer Credit Ratings History**

25-Jan-2019	BBB/Stable/A-2
07-Jul-2014	BBB-/Stable/A-3
24-Apr-2013	BB+/Stable/B

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